

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 18, 2018

GI-2018-01-SEM-40

Jimmie Cho, Senior Vice President
Gas Operations and System Integrity
Sempra Energy Utilities
555 W 5th Street, GT21C3
Los Angeles, CA 90013

SUBJECT: General Order (G.O.) 112-F Comprehensive Inspection of Sempra Energy Utilities (Sempra) Operation and Maintenance Procedures

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted G.O. 112-F Comprehensive review and inspection of Sempra's Operation and Maintenance (O&M) Procedures that included the Southern California Gas Company's (SCG) Gas Standards and Procedures and San Diego Gas and Electric Company' (SDG&E) Gas Standards and Procedures on January 8-12, 2018. SED staff reviewed both companies' written O&M procedures pursuant to G.O. 112-F, Reference Title 49, Code of Federal Regulations (CFR), Parts 191, 192 and 193.

SED staff made 10 (ten) recommendations. The recommendations are noted in the attached "Summary of Inspection Findings".

Please provide a written response within 30 days of your receipt of this letter indicating the measures taken by Sempra to address the recommendations noted in the "Summary of Inspection Findings".

If you have any questions, please contact Mahmoud (Steve) Intably, at (213) 576-7016.

Sincerely,

A handwritten signature in blue ink that reads "Kenneth A. Bruno".

Kenneth Bruno,
Program Manager - GSRB
Safety and Enforcement Division

CC: Mahmoud (Steve) Intably, SED/GSRB, Matthewson Epuna, SED/GSRB, Kan Wai Tong, SED/GSRB, and Troy Bauer, Sempra Energy Utilities

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via 15-06-044

Sempra Operation and Maintenance Procedures
Summary of Inspection Findings
January 8-12, 2017

Recommendations and Concerns

1. SDG&E's Gas Standard G7361 Pipeline Testing Requirements, Section 4.4.4.C.1 and Section 4.4.D.1 do distinguish between Maximum Allowable Operation Pressure (MAOP) and Maximum Allowable Test Pressure (MATP). SED recommends that SDG&E's revise the Gas Standard to make clear distinction between MAOP and MATP when referencing Table 2 of this procedure.
2. SCG's Gas Standard 184.03 Replacement Criteria for Distribution Main and Services, under "Purpose" SCG has < 60 psig. The statement should indicate ≤ 60 psig. The procedure indicated \leq several times when addressing medium pressure for the main (section 2.1 ----- operate at 60 or less (\leq)). SED recommends SCG to revise the Gas Standard to clarify that the procedure addresses medium pressure that is ≤ 60 psig.
3. SCG's Gas Standard 184.17 and D8189 Temporary LNG Facility, Section 4.2.4 -The LNG storage container and associated equipment shall not be located in close proximity to overhead electric power lines operating over 600 volts. SED recommends SCG to review/revise the Gas Standard to include the minimum separation distance between power lines operating over 600 volts and LNG tanks/ and associated equipment.
4. SCG's Gas Standard Procedure 186.0015 Condition Assessment of Unprotected Distribution Steel Piping, Section 4.2.2 Operating environment, Section 4.2.2.1 Concentration of people (Business District, Schools, Churches, Hospitals, Residential, Rural, etc.). The Gas Standard did not address the environmental sensitive area. SED recommends SCG to revise the Gas Standard to address the environmental sensitive area.
5. SCG's Gas standard Procedure C5050, Section 2 addresses only 49 CFR, Part 192, §192.615 (a)(3)(i, ii, and iii). The Section did not include 192.615(a)(3)(iv) "Natural disaster". SED recommends SCG to revise the Gas Standard to address "Natural disaster".
6. SCG's Gas Standard Procedure 189.0001, Section 5.5 "New observer" and Gas Standard G8129 similarly indicated "New observer". SCG's Gas Standard 189.005, Section 3.3.2.1 uses a different wording when addressing "New observer". SED recommends SCG to revise the Gas Standard to have a consistent wording (similar language) when addressing "New observer".
7. SCG's Gas Standard Procedure 223.0215, Section 4 did not list the steps that need to be performed in a chronological order (item 4.9 s should be moved below 4.2). SED recommends SCG to revise the Gas Standard to list the steps that need to be performed in a chronological order.

8. SCG's Gas Standard Procedure 223.0215, Section 5 indicated cover task 16.02 that is related to distribution valves while the procedure addresses the work activities related to transmission valves. SED recommends SCG to revise the Gas Standard to address the correct cover task.
9. SCG's Gas Standard 167.0207 TIMP Risk Algorithm, Section 6.2.1 for 100 mV criteria the weighting value under this category is 5 (EC CP Factor value). Section 6.5.3 for 100mV criteria is 4 (M CF Factor Value). SED recommends SCG to review the Gas Standard to ensure that the weighting value for 100mV criteria is appropriate and reasonable.
10. SCG's Gas Standard G8223, Section 3.2 addresses only PHMSA while 192.909(b) indicates that operator must also notify state or local pipeline safety authority. SED recommends SCG to revise the Gas Standard to include the notification to state or local pipeline safety authority.